

DECLARATION OF PREPAREDNESS

I, the undersigned, declare under penalty of perjury that the facts and content of the foregoing are true and correct to the best of my knowledge and belief, and that I am a true copy of this document.

DATED this _____ day of _____
at Tumwater, Washington.

Signed: _____

**BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER**

FILED

2004-11-2 A 9:45

In the Matter of:

**PHYSICIANS INSURANCE, A Mutual
Company**

) NO. D 04-114

) DOCKET NO. 2004-INS- 0001

) FINAL ORDER TERMINATING
) PROCEEDING

W.D.C.
Tumwater, Washington
Hearing Officer

To: Gary Morse
Attorney for Physicians Insurance
1730 Minor Avenue, Suite 1800
Seattle, Washington 98101

AND TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
Carol Sureau, Deputy Commissioner, Legal Affairs
William Kirby, Staff Attorney, Legal Affairs
Beth Berendt, Deputy Commissioner, Rates & Forms
Donna Dorris, Health Care Manager, Rates & Forms
PO Box 40255
Olympia, WA 98504-0255

On June 14, 2004, the Insurance Commissioner entered his Notice of Hearing to Request Imposition of a Fine against the above-referenced authorized insurers in Docket No. D04-114. On June 18, 2004, Gary L. Morse, Esq., on behalf of Physicians Insurance, filed his Notice of Appearance and asked that an administrative law judge from the Office of Administration Hearings be appointed to hear this matter and enter an Initial Decision.

Upon transfer of the files to the Office of Administrative Hearings, a telephone prehearing conference was held on August 10, 2004 at 9:00 a.m. A hearing was scheduled for August 16, 2004 which was postponed until October 21, and 22, 2004. Subsequently, on October 21, 2004 the parties stipulated and entered an initial Order of Dismissal of Hearing, a copy of which is attached hereto and incorporated herein.

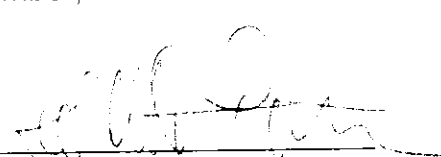
FINAL ORDER TERMINATING PROCEEDING
NO. D04-114
Page 2

Based upon the above activity,

IT IS HEREBY DECLARED AND ORDERED that the aforereferenced initial Order of Dismissal of Hearing is hereby adopted as the Final Order Terminating Adjudicative Proceeding and, pursuant thereto, **THIS PROCEEDING IS DISMISSED AND TERMINATED.** The undersigned is advised that there is no settlement agreement in this matter.

Based upon the above activity,

THIS ORDER IS ENTERED AT TUMWATER, WASHINGTON, this 2nd day of November, 2004.



PATRICIA D. PETERSEN
Chief Hearing Officer

FILED

OCT 15 2004

Hearing Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

STATE OF WASHINGTON
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE OFFICE OF THE INSURANCE COMMISSIONER


IN THE MATTER OF:

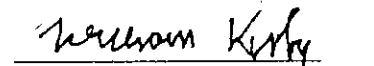
Physicians Insurance
A Mutual Company

) Docket No. 2004-INS-0001
)
) Matter No. D04-114
)
) ORDER OF DISMISSAL
) OF HEARING
)

The parties stipulate to this Order, DATED this 14th day of October, 2004. The Office of the Insurance Commissioner withdraws its request for a hearing.

OFFICE OF INSURANCE
COMMISSIONER.


Gary Morse, WSBA
No. 10815. Attorney for
Physicians Insurance
A Mutual Company


William Kirby, WSBA
No. 16128, Attorney for
The Office of the Insurance
Commissioner.

ORDER

The Court, having before it the file in this matter, including this stipulation for dismissal of the hearing previously requested by the Office of the Insurance Commissioner, dismisses the hearing previously scheduled to take place on October 21 and 22, 2004, at the Office of Administrative Hearings.

DATED at Olympia, Washington, this _____ day of October, 2004.

Cindy L. Burdue
Administrative Law Judge
Office of Administrative Hearings
921 Lakeridge Way, Ste C
Olympia, WA 98507
1-800-843-7712; (360) 753-7328

COPY

Copies Mailed To:

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1730 Minor Avenue
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